

107TH CONGRESS
1ST SESSION

H. R. 1968

To amend the Public Health Service Act and the Internal Revenue Code of 1986 with respect to the National Health Service Corps.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2001

Mrs. MALONEY of New York (for herself, Mr. BOEHLERT, Mr. CAPUANO, Mr. GILCHREST, Mr. WYNN, Mr. MCHUGH, Mr. GREEN of Texas, Mr. RANGEL, Mr. McDERMOTT, Mrs. THURMAN, Mr. GORDON, Ms. MCCARTHY of Missouri, Mr. JEFFERSON, Mr. DAVIS of Illinois, Mr. FROST, Mr. ROEMER, Mr. DOOLEY of California, Mr. EVANS, Mr. BLAGOJEVICH, Ms. NORTON, Mr. ABERCROMBIE, Ms. JACKSON-LEE of Texas, Mrs. CHRISTENSEN, Mr. STENHOLM, Mr. McNULTY, Mr. SANDERS, Mr. FRANK, Mr. CONYERS, Mrs. MINK of Hawaii, Mr. TIERNEY, Ms. MCKINNEY, Ms. BALDWIN, Mr. CUMMINGS, Mrs. JONES of Ohio, Mr. BAIRD, Mr. NADLER, Mr. MCGOVERN, and Mr. PHELPS) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Public Health Service Act and the Internal Revenue Code of 1986 with respect to the National Health Service Corps.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “National Health Serv-
3 ice Corps Reinvestment Act of 2001”.

4 **TITLE I—REVISION AND EXTEN-**
5 **SION OF PROGRAM FOR NA-**
6 **TIONAL HEALTH SERVICE**
7 **CORPS**

8 **SEC. 101. GENERAL PROGRAM.**

9 (a) ADDITIONAL AUTHORIZATIONS OF APPROPRIA-
10 TIONS.—Section 338(a)(1) of the Public Health Service
11 Act (42 U.S.C. 254k(a)(1)) is amended by inserting before
12 the period the following: “, \$62,284,500 for fiscal year
13 2002, and such sums as may be necessary for each of the
14 fiscal years 2003 through 2006”.

15 (b) DESIGNATION OF HEALTH PROFESSIONAL
16 SHORTAGE AREAS.—Section 332 of the Public Health
17 Service Act (42 U.S.C. 254e) is amended by adding at
18 the end the following subsection:

19 “(i)(1) Notwithstanding any other provision of this
20 subpart, the Secretary shall consider facilities described
21 in paragraph (2) to be health professional shortage areas
22 within the meaning of subsection (a)(1)(C).

23 “(2) The facilities referred to in paragraph (1) are
24 public or nonprofit private facilities that are any of the
25 following:

1 “(A) A health center receiving a grant under
2 section 330.

3 “(B) A Federally-qualified health center as de-
4 fined in section 1905(l)(2)(B) of the Social Security
5 Act.

6 “(C) A rural health clinic under section
7 1861(aa)(2) of the Social Security Act.”.

8 (c) STRIKING OF PROVISIONS REGARDING COST
9 SHARING.—Subpart II of part D of title III of the Public
10 Health Service Act (42 U.S.C. 254d et seq.) is amended
11 by striking section 334.

12 **SEC. 102. SCHOLARSHIP AND LOAN REPAYMENT PRO-**
13 **GRAMS.**

14 (a) ADDITIONAL AUTHORIZATIONS OF APPROPRIA-
15 TIONS.—Section 338H(b)(1) of the Public Health Service
16 Act (42 U.S.C. 254q(b)(1)) is amended—

17 (1) by striking “and” after “1991,”; and

18 (2) by inserting before the period the following:

19 “, \$131,886,000 for fiscal year 2002, and such sums
20 as may be necessary for each of the fiscal years
21 2003 through 2006”.

22 (b) DEMONSTRATION PROGRAM REGARDING PART-
23 TIME PERFORMANCE OF OBLIGATED SERVICE.—Section
24 338C (42 U.S.C. 254m) of the Public Health Service Act
25 is amended by adding at the end the following subsection:

1 “(f)(1) In carrying out this subpart, the Secretary
2 may in accordance with this subsection carry out dem-
3 onstration projects in which individuals who have entered
4 into contracts under section 338A or 338B receive a waiv-
5 er under which the individuals are authorized, notwith-
6 standing subsection (a), to satisfy the requirement of obli-
7 gated service through providing clinical service that is not
8 full-time (referred to in this subsection as ‘part-time serv-
9 ice’).

10 “(2) A waiver under paragraph (1) may be provided
11 by the Secretary only if the following conditions are met:

12 “(A) An entity approved under section 333 for
13 the assignment of a Corps member has requested in
14 writing that the Corps member assigned to the enti-
15 ty provide part-time service.

16 “(B) The Secretary has determined that part-
17 time service by a Corp member is appropriate for
18 the health professional shortage area in which the
19 entity is located.

20 “(C) A Corps member who is required to per-
21 form obligated service has agreed in writing to be
22 assigned, for part-time service, to an entity de-
23 scribed in subparagraph (A).

24 “(D) The entity and the Corps member agree
25 in writing that the part-time service provided by the

1 Corps member will be not less than 20 hours per
2 week.

3 “(E) The Corps member agrees in writing that
4 the period of time over which the Corps member
5 would otherwise have performed obligated service
6 pursuant to section 338A or 338B (as applicable)
7 will be extended so that the aggregate amount of
8 part-time service provided by the Corps member will
9 equal the period of obligated service that otherwise
10 would have applied pursuant to such section.

11 “(F) The Corps member agrees in writing that,
12 if the Corps member begins providing part-time
13 service but fails to complete the period of obligated
14 service, the method of determining the amount of
15 damages described in subsection (b) or (c) of section
16 338E, as applicable, will be applied by using the
17 full-time equivalent of the part-time service provided
18 by the Corp member.”.

1 **TITLE II—EXCLUSION FROM**
2 **GROSS INCOME FOR CERTAIN**
3 **SCHOLARSHIPS AND LOAN**
4 **PAYMENTS UNDER NATIONAL**
5 **HEALTH SERVICE CORPS**
6 **PROGRAM**

7 **SEC. 201. EXCLUSION OF AMOUNTS RECEIVED UNDER THE**
8 **NATIONAL HEALTH SERVICE CORPS SCHOL-**
9 **ARSHIP PROGRAM.**

10 (a) IN GENERAL.—Section 117(c) of the Internal
11 Revenue Code of 1986 (relating to the exclusion from
12 gross income amounts received as a qualified scholarship)
13 is amended—

14 (1) by striking “Subsections (a)” and inserting
15 the following:

16 “(1) IN GENERAL.—Except as provided in para-
17 graph (2), subsections (a)”;

18 (2) by adding at the end the following new
19 paragraph:

20 “(2) EXCEPTION.—Paragraph (1) shall not
21 apply to any amount received by an individual under
22 the National Health Service Corps Scholarship Pro-
23 gram under section 338A(g)(1)(A) of the Public
24 Health Service Act.”

1 (b) EFFECTIVE DATE.—The amendment made by
 2 subsection (a) shall apply to amounts received in taxable
 3 years beginning after December 31, 2001.

4 **SEC. 202. EXCLUSION FOR LOAN PAYMENTS UNDER NA-**
 5 **TIONAL HEALTH SERVICE CORPS LOAN RE-**
 6 **PAYMENT PROGRAM.**

7 (a) IN GENERAL.—Section 117 of the Internal Rev-
 8 enue Code of 1986 is amended by adding at the end the
 9 following new subsection:

10 “(e) LOAN PAYMENTS UNDER NATIONAL HEALTH
 11 SERVICE CORPS LOAN REPAYMENT PROGRAM.—Gross in-
 12 come shall not include any amount received under section
 13 338B(g) of the Public Health Service Act.”

14 (b) EFFECTIVE DATE.—The amendment made by
 15 subsection (a) shall apply to amounts received by an indi-
 16 vidual in taxable years beginning after December 31,
 17 2001.

18 **TITLE III—GENERAL**
 19 **PROVISIONS**

20 **SEC. 301. CONFORMING AMENDMENT REGARDING REIM-**
 21 **BURSEMENT OF TAX LIABILITY FOR LOAN**
 22 **PAYMENTS.**

23 Section 338B(g) of the Public Health Service Act (42
 24 U.S.C. 254l–1(g)) is amended—

25 (1) by striking paragraph (3); and

1 (2) by redesignating paragraph (4) as para-
2 graph (3).

3 **SEC. 302. EFFECTIVE DATE.**

4 Except as provided otherwise in this Act, this Act and
5 the amendments made by this Act take effect October 1,
6 2001, or upon the date of the enactment of this Act,
7 whichever occurs later.

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